

On The Historically Racist Motivations Behind Minimum Wage

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Senators are [expected to vote tomorrow](#) on a bill that would raise the minimum wage from \$7.25 to \$10.10, a well-intentioned though [economically irrational policy](#) change that few Democrats realize has a troubling racial history.

The nonpartisan Congressional Budget Office recently reported that artificially inflating wages to this extent would cut about half a million jobs in the short run (though CBO concedes the figure would be higher in the long-run beyond their mid-2016 projections). Economists note those workers most likely to be cut are lowest-skilled, young, minority workers, who, [as Reihan Salam of Reuters writes](#), need these roles to learn “grit, self-regulation, motivation, and the ability to work constructively with others” as a means “to climb the economic ladder.”

The business-friendly [National Center for Policy Analysis points out](#) “the 1931 Davis-Bacon Act, requiring ‘prevailing’ wages on federally assisted construction projects, was supported by the idea that it would keep contractors from using ‘cheap colored labor’ to underbid contractors using white labor.”

African-American economist Thomas Sowell with [Stanford University’s](#) Hoover Institution [gives an uncomfortable historical primer behind minimum wage laws](#):

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“In 1925, a minimum-wage law was passed in the Canadian province of British Columbia, with the intent and effect of pricing Japanese immigrants out of jobs in the lumbering industry.

A Harvard professor of that era referred approvingly to Australia’s minimum wage law as a means to “protect the white Australian’s standard of living from the invidious competition of the colored races, particularly of the Chinese” who were willing to work for less.

In South Africa during the era of apartheid, white labor unions urged that a minimum-wage law be applied to all races, to keep black workers from taking jobs away from white unionized workers by working for less than the union pay scale.”

In today’s South Africa, [The New York Times reported on](#) poor workers, many of them black, angry at government leaders enforcing labor laws the price them out of a job.



NYC Rally To Raise The Minimum Wage (Photo credit: The All-Nite Images)

While our African-American President [Barack Obama](#) tries to make a minimum wage hike a moral imperative, Sowell reports no sympathy from the Congressional Black Caucus after his entreaties that currying reciprocal political favors on other matters is not “worth sacrificing whole generations of young blacks to huge rates of unemployment.” Rather than inflating wages that punish employers, a better [policy](#) solution (which Obama even included in his own budget this year) is the earned income tax credit, which puts more money in workers' pockets and saves their jobs.

Despite Democratic bluster on this issue, they're not the

ones with the facts to match. Or [as Walter Williams](#), an African-American, libertarian economics professor at [George Mason University](#), puts it: “The intentions are irrelevant to the effects.”

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